



Market Rule Amendment Proposal

PART 1 – MARKET RULE INFORMATION

Identification No.:	MR-00304-R00		
Subject:	Day-Ahead Commitment Process		
Title:	Pre-Dispatch Scheduling and Commitment		
Nature of Proposal:	<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion	<input type="checkbox"/> Addition
Chapter:	7	Appendix:	
Sections:	5.8 (new)		
Sub-sections proposed for amending:			

PART 2 – PROPOSAL HISTORY

Version	Reason for Issuing	Version Date
1.0	Draft for Technical Panel Review	December 5, 2005
2.0	Submit for Technical Panel Review	December 9, 2005
3.0	Publish for Stakeholder Review and Comment	December 16, 2005
4.0	Draft for TP Review and Vote	January 6, 2006
5.0	Recommended by Technical Panel and Submitted for IESO Board Approval	January 13, 2006
Approved Amendment Publication Date:		
Approved Amendment Effective Date:		

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

Provide a brief description of the following:

- The reason for the proposed amendment and the impact on the *IESO-administered markets* if the amendment is not made.
- Alternative solutions considered.
- The proposed amendment, how the amendment addresses the above reason and impact of the proposed amendment on the *IESO-administered markets*.

Summary

This amendment proposal specifies the obligations, permissions, and authorities for the IESO and market participants necessary to implement the pre-dispatch scheduling and commitment component of the day-ahead commitment process (DACP).

Background

See amendment submission MR-00304-Q00 http://www.ieso.ca/imoweb/pubs/mr/MR_00304-Q00.pdf and the day-ahead commitment process design document http://www.ieso.ca/imoweb/consult/consult_isr.asp.

Discussion

It is proposed to insert a new section 5.8 into Chapter 7 of the market rules as follows:

- Insert section 5.8.1 to obligate the IESO to determine the day-ahead commitment pre-dispatch schedule, without considering export bids, from a series of pre-dispatch schedules determined each hour from 11:00 EST to 14:00 EST in accordance with section 5. A viable construct to include export bids in the day-ahead commitment process could not be found by IESO staff or stakeholders. A construct which has loads paying for some type of day-ahead guarantee to exports was not acceptable to loads. Including exports without any penalty for non-performance would result in gaming opportunities involving over-commitment of imports day-ahead. A construct with no guarantee for day-ahead exports and with a penalty for non-performance was considered but dismissed as the risk to exporters with no reward would not be expected to attract any takers. For further information about data used in the day-ahead commitment process please refer to MR-00303.
- Insert section 5.8.2 to obligate the IESO to release the pre-dispatch schedules from the pre-dispatch of record no later than 15:00 EST. The pre-dispatch of record is the last pre-dispatch sequence of the day-ahead commitment process, and the one upon which guarantees are based. The timing of the release of this pre-dispatch schedule corresponds with existing obligations regarding release of all pre-dispatch results.
- Insert section 5.8.3 to provide permission for the IESO, with the concurrence of the registered market participant, to constrain generation facilities to maintain the reliable operation of the IESO-controlled grid during the day-ahead commitment pre-dispatch scheduling process to the minimum loading point for the minimum run-time. These constraints would be manually applied respecting facility-specific conditions and only if the market participant concurs with the IESO's request. Constraints will only be applied for one of two reasons: 1) when a facility is required online for reliability but is not scheduled to at least its minimum loading point for its minimum run time; or 2) a facility's schedule indicates that it is dispatched at an output

PART 3 – EXPLANATION FOR PROPOSED AMENDMENT

below its minimum loading point for a period which is less than its minimum shut down time and is required online for reliability. When the IESO manually applies these constraints the IESO is obligated to reflect the identical constraints in future iterations of the pre-dispatch schedule and in real time. Constraining generation to run will reduce the impacts on market price from these commitment actions, since the market (pricing) schedule is less affected by these actions. The alternatives of requiring generation to adjust their offers to achieve real-time commitment that matches their day-ahead commitment, would significantly affect the market schedule and therefore impact on market price.

- Insert section 5.8.4 to obligate market participants who are eligible to receive the day-ahead generation cost guarantee and who are included in the pre-dispatch schedules from the pre-dispatch of record to notify the IESO no later than 15:15 EST of their decision to not receive the guarantee. If the market participant does not so notify the IESO it will be automatically eligible to receive the day-ahead generation cost guarantee. This allows a minimum of 15 minutes after the release of the pre-dispatch of record for registered market participants to elect not to receive the guarantee. In fact, this allows significantly more than 15 minutes since pre-dispatch results are generally always available no later than 40 minutes past each hour.
- Insert section 5.8.5 to obligate the IESO, upon receipt of notification of acceptance of the day-ahead generation cost guarantee by the registered market participant under section 5.8.4, to apply constraints to ensure that the output from that facility will meet or exceed its minimum loading point for its minimum run time in future iterations of the pre-dispatch schedule and in real time. Constraining generation to run will reduce the impacts on market price from these commitment actions, since the market (pricing) schedule is less affected by these actions. The alternatives of requiring generation to adjust their offers to achieve real-time commitment that matches their day-ahead commitment, would significantly affect the market schedule and therefore impact on market price.
- Insert section 5.8.6 to specify the conditions by which the IESO would be permitted to de-commit for reliability reasons a committed resource after the release of the pre-dispatch of record. MR-00303 includes a provision in the proposed amendment 6.3B.1 that the market participant would remain eligible to receive the day-ahead generation cost guarantee and would also be provided with an opportunity to request additional compensation from the IESO for costs associated with unused fuel. A participant request for de-commitment results in loss of eligibility for the day-ahead generation cost guarantee, while de-commitment by the IESO does not result in the loss of guarantee eligibility. The opportunity to recover costs associated with unutilized fuel is for facilities that have arranged fuel deliveries based on the day-ahead commitment provided by the pre-dispatch of record, but due to the de-commitment ordered by the IESO are subject to financial loss or penalty associated with the reduced fuel requirement.
- Insert section 5.8.7 to specify the permissions necessary for the IESO to manage the transition from a dispatch hour in which day-ahead reliability guarantees do not apply to a dispatch hour in which day-ahead reliability guarantees do apply. This would be managed by disregarding the net inertia scheduling limit. This is required to eliminate a potential gaming opportunity.
- Insert section 5.8.8 to specify the IESO's obligation to publish all actions the IESO undertakes under section 5.8.3 to constrain facilities to maintain the reliable operation of the IESO-controlled grid during the day-ahead commitment process and any other information as may be defined in the applicable market manual.

PART 4 – PROPOSED AMENDMENT

5.8 The Day-Ahead Commitment Pre-Dispatch Scheduling Process

- 5.8.1 The IESO shall determine *pre-dispatch schedules*, without considering export bids, for the *dispatch hours* of the next *dispatch day* each hour starting from 11:00 EST, until the constrained schedules from the *pre-dispatch of record* are published under section 5.8.2.
- 5.8.2 The IESO shall release the constrained schedules and associated projections of *market schedules* and *publish market prices* determined from the *pre-dispatch of record* no later than 15:00 EST in accordance with section 5.5.
- 5.8.3 With the *registered market participant's* consent, the IESO may, in order to maintain the reliable operation of the *IESO-controlled grid* on the next *dispatch day*, during the time period from 11:00 EST to the release of the constrained schedules from the *pre-dispatch of record*, manually apply a constraint to a *generation facility* that submitted *offers* into the day-ahead commitment process to ensure that the scheduled output from that *facility* in the constrained schedule resulting from the *pre-dispatch of record* will meet or exceed its *minimum loading point* for at least its *minimum run-time* commencing on the first scheduled hour of operation on the next *dispatch day* for that *facility*. Subject to section 5.8.6, when the IESO manually applies these constraints to the *pre-dispatch of record*, the identical constraints will be respected in future iterations of the *pre-dispatch schedule* and in the *real-time schedule*.
- 5.8.4 A *registered market participant* whose *facility* is eligible under section 2.2.C for the day-ahead generation cost guarantee and whose *facility* is included in the constrained schedule from the *pre-dispatch of record* and is scheduled for at least its *minimum run-time* at no less than its *minimum loading point*, will accept the guarantee for its *facility* unless the *registered market participant* declines the guarantee by so notifying the IESO in accordance with the applicable *market manual*. The *registered market participant* shall provide this notification to the IESO by 15:15 EST of the *pre-dispatch day*.

- 5.8.5 Subject to section 5.8.6 the *IESO* shall ensure that the scheduled output from a *facility* that was included in the constrained schedule from the *pre-dispatch of record* for which the *registered market participant* has accepted the day-ahead cost guarantee under section 5.8.4, will meet or exceed its *minimum loading point* for the *minimum run-time* in future iterations of the *pre-dispatch schedule* and in the *real-time schedule*.
- 5.8.6 The *IESO* may, to maintain the reliable operation of the *IESO-controlled grid*, require a *generation facility* that was included in the constrained schedule from the *pre-dispatch of record* to either desynchronize from the *IESO-controlled grid* or to not synchronize to the *IESO-controlled grid*.
- 5.8.7 When determining the *pre-dispatch schedules* between 11:00 EST and 15:00 EST, for the *pre-dispatch schedule* applicable to the first hour of the next *dispatch day* for which day-ahead reliability guarantees apply, the *IESO* may disregard the net *inertie* scheduling limit.
- 5.8.8 The *IESO* shall *publish*, in accordance with the applicable *market manual*, all actions taken by the *IESO* under section 5.8.3 and any other information as required by the applicable market manual.

PART 5 – IESO BOARD COMMENTS

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